

NOTE: As provided in LFC policy, this report is intended only for use by the standing finance committees of the legislature. The Legislative Finance Committee does not assume responsibility for the accuracy of the information in this report when used for other purposes.

The most recent FIR version (in HTML & Adobe PDF formats) is available on the Legislative Website. The Adobe PDF version includes all attachments, whereas the HTML version does not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR: Komadina DATE TYPED: 03/15/02 HB _____
 SHORT TITLE: County Emergency Services Tax SB 65/aSPAC/aSFC
 ANALYST: Gilbert

REVENUE

Estimate d Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY03	FY04			
See Narrative			Recurring	County

(Parenthesis () Indicate Revenue Decreases)

Duplicates HB58

SOURCES OF INFORMATION

LFC files

Responses Received From

Taxation and Revenue Department (TRD)

Department of Finance and Administration (DFA)

SUMMARY

Synopsis SFC Amendment

The Senate Finance Committee amendment to Senate Bill 65 makes a technical correction to page 3, line 20.

Additionally, the following language was added to page 3, line 21, to clarify what sector of the voting public is eligible to vote in elections relating to imposition of an emergency communications and emergency medical services tax:

In the case of an ordinance imposing an increment of the countywide emergency communications and emergency medical services tax, the election shall be conducted countywide. In the case of an ordinance imposing the county area emergency communications and emergency medical services tax, the election shall be conducted only in the county area.

Synopsis SPAC Amendment

The Senate Public Affairs Committee amendment to Senate Bill 65, make a technical correction to page 3, line 20. This bill would give counties the option to impose a countywide or a county area emergency communications and medical services tax, including county areas outside of specific municipal boundaries. The language in this amendment clarifies that the outcome of elections for this purpose are determined by a majority of the voters, as opposed to a majority of county voters who vote in such elections.

Synopsis of Original Bill

Senate Bill 65 would amend the County Local Option Gross Taxes Act. Present law authorizes certain counties to impose an excise tax at a rate not to exceed one-fourth of one percent for county emergency communications and emergency medical services, in increments of one-sixteenth of one percent. The proposed bill would give counties the option to impose the county emergency communications and medical services tax in areas of a county outside of specific municipal boundaries. The language maintains the ordinance imposing the tax increase must be approved by a majority of the voters in a general or special election in order for the ordinance to go into effect. The tax shall not be imposed for a period of more than ten years from the effective date of the ordinance imposing the tax. The tax may only be used for one or both of the following purposes: operation of the emergency communications center that is designated by the Department of Finance and Administration as a public safety answering point and operation of emergency medical services (EMS) provided by the county.

Significant Issues

- Emergency communications centers and county operated emergency medical services are essential safety-net services that are maintained to deal with routine and emergency responses.
- The proposed change in this tax would give counties further flexibility to insure emergency services throughout the county.
- According to present law, the counties of Chaves, Cibola, Eddy, Lea, Lincoln, Otero and Sandoval are not eligible to impose the tax as they do not operate a consolidated public safety answering point.

FISCAL IMPLICATIONS

The Taxation and Revenue Department provided the attached table on revenue impact for counties.

- Minimal potential revenue based upon FY02 taxable gross receipts for eligible counties at the 0.0625% increment total \$3,309,005.
- Maximum potential revenue based upon FY02 taxable gross receipts for eligible counties at the 0.25% increment total \$13,236,002.

POSSIBLE QUESTIONS

1. What is the current condition of county operated emergency communications and emer-

- gency medical services?
2. How will the language change affect current services of eligible counties?
 3. Will this tax limit or impede the state in any way from raising revenue from the gross receipts tax?

MM/njw:sb:yr

Attachment

Potential Revenue from County-Area Emergency Communications and Emergency Services Tax (Illustration at Fiscal Year 2002 Levels)					
County Area	Fiscal Year 2002 Taxable Gross Receipts	Tax Increment			
		0.0625%	0.1250%	0.1875%	0.2500%
Bernalillo	2,006,439,195	1,254,024	2,508,049	3,762,073	5,016,098
Catron	15,541,620	9,714	19,427	29,141	38,854
Chaves	Not Eligible	Not Eligible	Not Eligible	Not Eligible	Not Eligible
Cibola	Not Eligible	Not Eligible	Not Eligible	Not Eligible	Not Eligible
Colfax	62,177,085	38,861	77,721	116,582	155,443
Curry	83,042,878	51,902	103,804	155,705	207,607
DeBaca	8,331,668	5,207	10,415	15,622	20,829
Dona Ana	406,085,467	253,803	507,607	761,410	1,015,214
Eddy	Not Eligible	Not Eligible	Not Eligible	Not Eligible	Not Eligible
Grant	114,158,201	71,349	142,698	214,047	285,396
Guadalupe	15,963,412	9,977	19,954	29,931	39,909
Harding	3,592,928	2,246	4,491	6,737	8,982
Hidalgo	15,848,568	9,905	19,811	29,716	39,621
Lea	Not Eligible	Not Eligible	Not Eligible	Not Eligible	Not Eligible
Lincoln	Not Eligible	Not Eligible	Not Eligible	Not Eligible	Not Eligible
Los Alamos*	N/A	N/A	N/A	N/A	N/A
Luna	43,554,342	27,221	54,443	81,664	108,886
McKinley	285,180,667	178,238	356,476	534,714	712,952
Mora	22,058,800	13,787	27,574	41,360	55,147
Otero	Not Eligible	Not Eligible	Not Eligible	Not Eligible	Not Eligible
Quay	18,880,834	11,801	23,601	35,402	47,202
Rio Arriba	191,633,398	119,771	239,542	359,313	479,083
Roosevelt	39,046,229	24,404	48,808	73,212	97,616
Sandoval	Not Eligible	Not Eligible	Not Eligible	Not Eligible	Not Eligible
San Juan	991,844,954	619,903	1,239,806	1,859,709	2,479,612
San Miguel	53,135,668	33,210	66,420	99,629	132,839
Santa Fe	561,298,384	350,811	701,623	1,052,434	1,403,246
Sierra	20,284,459	12,678	25,356	38,033	50,711
Socorro	32,711,927	20,445	40,890	61,335	81,780
Taos	129,345,235	80,841	161,682	242,522	323,363
Torrance	46,020,686	28,763	57,526	86,289	115,052
Union	26,036,844	16,273	32,546	48,819	65,092
Valencia	102,195,305	63,872	127,744	191,616	255,488
All Eligible Counties	5,294,408,754	3,309,005	6,618,011	9,927,016	13,236,022